

Message Text

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PAGE 01 ADDIS 04520 161546Z

42

ACTION AF-06

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FM AMEMBASSY ADDIS ABABA

TO SECSTATE WASHDC PRIORITY 4107

INFO AMEMBASSY BONN

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AMEMBASSY LONDO

LIMITED OFFICIAL USE ADDIS ABABA 4520

E.O.11652: N/A

TAGS: BDIS US ET

SUBJ: DIFFICULTIES OF ADDIS HILTON

REF: (A) STATE 085067; (B) STATE 086349

1. EMBASSY OFFICER DISCUSSED PROBLEMS OF ADDIS HILTON WITH GENERAL MANAGER PETER SMITH, WHO SAID THAT APRIL 12 ARREST OF GERMAN NATIONAL FOOD AND BEVERAGE MANAGER SEPP KUEHN CAUSED BY SMALL GROUP OF HILTON EMPLOYEES (MAINLY WAITERS AND BUSBOYS) WHO TOLD ETHIOPIAN MILITARY AUTHORITIES THAT HILTON MANAGEMENT NOT OPERATING IN ACCORDANCE WITH PHILOSOPHY OF ETHIOPIAN SOCIALISM. ACCORDING TO POLICE AND MILITARY AUTHORITIES, ALLEGED CHARGES AGAINST KUEHN ARE "POLITICAL" OF "OF AN UNSAVORY EXPLETIVE NATURE AGAINST THE REGIME". AT INTERCESSION OF GERMAN CHARGE, KUEHN TEMPORARILY RELEASED APRIL 14 UNTIL TRIAL AT LATER DATE.

2. HILTON MANAGER BELIEVES DISSIDENT EMPLOYEES BEING MANIPULATED BY UNION WHICH WANTS TO PUNISH MANAGEMENT FOR TURNING DOWN RECENT REQUESTS FOR WAGE INCREASES. HE SAID THAT AT A RECENT MEETING BETWEEN EMPLOYEES AND MEMBERS OF MILITARY, SMALL GROUP OF EMPLOYEES DEMANDED, INTER ALIA, THAT (A) MANAGEMENT CONTROL BE NATIONALIZED; (B) SALARY DISCREPANCIES BETWEEN MANAGEMENT AND RANK AND FILE BE ELIMINATED; (C) CERTAIN FOREIGNERS BE EXPELLED;
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PAGE 02 ADDIS 04520 161546Z

(D) RANK AND FILE BE INVOLVED IN MANAGEMENT DECISIONS; AND

(E) HUMILIATION AND MALTREATMENT BY MANAGEMENT STOP.

3. SMITH THEN MET WITH ATO ABDUL JELIL MOHAMED, GENERAL MANAGER OF GOVERNMENT BODY WHICH OWNS HOTEL AND A REPRESENTATIVE OF MILITARY TO EXPRESS ANNOYANCE AND INFORM THEM THAT HE INTENDED "TO DISMISS UNION AND GROUP OF SUPPORTERS". (COMMENT: SMITH PRESUMABLY MEANS THAT HE WILL STOP DEALING WITH UNION.) ACCORDING TO ITS CONTRACT WITH ETHIOPIAN GOVERNMENT, HILTON HAS ABSOLUTE DISCRETION ON LABOR MATTERS.

4. AFTER SUBSEQUENT MEETING BETWEEN MANAGEMENT, MILITARY AND UNION, MILITARY REPRESENTATIVE STATED THAT (A) HILTON SHOULD NEVER HAVE BEEN BUILT BUT MUST NOW BE MAINTAINED IN VIEW INTERNATIONAL REPUTATION; (B) MANAGEMENT'S ATTITUDE NOT IN LINE WITH ETHIOPIAN SOCIALISM, AND; (C) UNION SHOULD ATTEMPT INSTILL BOTH DISCIPLINE AND AN UNDERSTANDING HILTON CONTRACT WITH GOVERNMENT IN THE STAFF.

5. IN VIEW LOW MORALE OF BOTH EXPATRIATE AND ETHIOPIAN MANAGEMENT STAFF, SMITH STILL CONVINCED THAT DISSIDENTS MUST BE FIRED OR, AT VERY LEAST, MAKE PUBLIC APOLOGY. WITHOUT THIS, MANAGEMENT CONTROL WILL "CEASE TO EXIST" AND HILTON WILL NO LONGER BE ABLE TO MAINTAIN STANDARDS. SHOULD THAT HAPPEN, SMITH WILL RECOMMEND THAT HILTON TERMINATE MANAGEMENT CONTRACT AND LEASE ARRANGEMENT AND IS SO INFORMING STRAND.

6. IN MESSAGE PASSED TO CLEGG VIA GERMAN EMBASSY MENTIONED IN REF A, SMITH ALSO SUGGESTED THAT SENIOR HILTON OFFICIAL COME TO ADDIS WITH LEGAL COUNSEL TO DISCUSS MATTER.

7. REF B JUST RECEIVED. ALMOST CONCURRENTLY, SMITH INFORMED US OF INSTRUCTIONS TO SEEK APPOINTMENT WITH AMBASSADOR, WHICH IS NOW SCHEDULED FOR AFTERNOON APRIL 16.
HUMMEL

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